

GreenMachines.net

September 25, 2007

By Email

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington D.C. 20549-1090

Re: Release No. 34-56160 (File Number S7-16-07)

Dear Secretary Morris:

Thank you for the opportunity to comment on proposed Rule 14a-18, entitled "Electronic Shareholder Forums."

I am the Administrator of GreenMachines.net, a new Internet forum and social networking website dedicated to reversing climate change through corporate activism. Also, I have 22 years experience as a securities litigator. I have litigated many civil lawsuits about proxy contests, shareholder voting rights, and disclosure, under both federal and state law, in federal and state courts in Delaware, New York, and across the country.

In my view, in the long run, the entire formal proxy process, including both binding and advisory resolutions, should be a continuous process conducted through appropriately-regulated electronic proxy forums and electronic proxy polls. This will greatly enhance corporate communication, transparency, accountability, and social responsibility while conserving natural resources. Therefore, in the short run, I strongly support appropriately-regulated electronic proxy forums for advisory matters as a supplement to the traditional proxy system and other existing communications media. Once electronic proxy forums can reliably provide all of the benefits and protections provided by the traditional system, but not before, companies should be free to abandon the traditional system entirely.

Several advantages would flow from the creation of appropriately-regulated electronic proxy forums to complement the traditional proxy system and the countless other Internet sources of opinion, information, and misinformation about corporate activities. The regulated forum would provide much more complete, timely, authoritative, and reliable information, and more robust and pointed debate, than would otherwise be available, and a more level playing field than the traditional proxy process. If the forum

strikes the appropriate balance between openness and moderation, serious discussion could naturally gravitate to it, marginalizing other venues and relieving companies of any perceived need to respond to irresponsible comments or rumors posted by anonymous unaccountable people around the Internet.

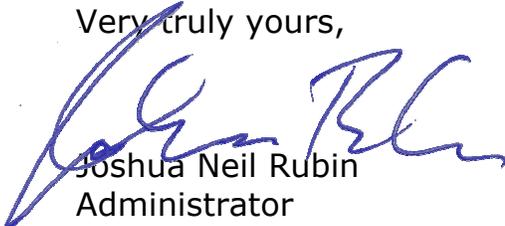
To make that happen, I believe that an electronic proxy forum should have the following characteristics:

- **Neutrality:** The administrator should be legally required to ensure that the forum is administered and moderated neutrally by third parties. The Commission should promulgate guidelines for neutral administration and moderation. I disagree with the parts of proposed Rule 14a-18(a) and (c) that permit the electronic proxy forum to be operated by the company or a shareholder, and with the part that requires the forum to comply with the company's charter or bylaws. I agree with the concept of proposed Rule 14a-18(b), which exempts the administrator from liability for the statements of others. However, I would go further. The administrator and moderators, acting in those capacities, should have no responsibility or liability in connection with the forum except to administer or moderate in good faith compliance with the Commission's guidelines;
- **Completeness:** All statements that are subject to the proxy solicitation rules should be posted to the forum, and posting should satisfy the filing requirements;
- **Anonymity coupled with accountability:** Anonymity is an essential part of robust free expression. Accountability, and in particular the ability for the Commission and others to enforce the anti-fraud rules, is important to maximize the reliability of the information in order to attract serious participants, and to avoid damage to participants or third parties. Using forum technology it is easy to limit the ability to post to those who have verified their identity and right to participate, and to provide them the ability to post anonymously if they wish, while maintaining a private record of who posted what;
- **Accessibility:** The general public should be able to read anything on the forum;
- **Timeliness:** Finally, the time period for discussing advisory initiatives in the electronic proxy forums, ending the later of 60 days before the vote or two days after the Notice, as set forth in proposed Rule 14a-2(b)(6), is extremely and unnecessarily short, particularly given that the proposed Rule is limited to non-binding resolutions. I compiled notice period statistics on the first 1,000 Proxy Statements in 2007 for Annual Meetings of publicly-held U.S. companies. Seventy percent of

the Notices provided 60 days notice or less. If the proposed Rule were adopted, the shareholders of 70% of all companies would have only 2 days to debate the resolutions after the Notice was officially disseminated, after which they would be subject to proxy solicitation prohibitions. The average shareholder would only have a mere 6 days of debate before being subject to the proxy solicitation prohibitions. All of this assumes that shareholders get the Notices instantly which, of course, they don't. I believe that applying notice and filing rules so early in the process would unduly limit debate and therefore distort the outcome much more than any potential last-minute posts to the proxy forum. Particularly in the context of advisory resolutions, where the company is not even legally compelled to act at all, there would be ample opportunity to address any last-minute misinformation even after the vote. Moreover, forum technology permits instant notification of new posts by email or RSS. I think that the proposed Rule should provide that participants may post up until the vote on advisory matters, and that posting itself satisfies the filing and notice requirements.

Thank you again for the opportunity to comment on this important issue.

Very truly yours,



Joshua Neil Rubin
Administrator